

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-315-C - ORDER NO. 2006-29
JANUARY 30, 2006

IN RE: Petition of BellSouth Telecommunications, Inc. to Deregulate Voice Mail) ORDER APPROVING) REMOVAL OF VOICE) MAIL AS A TARIFFED) SERVICE
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition to Deregulate Voice Mail (the Petition) filed by BellSouth Telecommunications, Inc. (BellSouth). Specifically, BellSouth is requesting that this Commission enter an Order stating that the Commission will not regulate business or residential voice mail offerings in any exchanges in BellSouth's operating territory in South Carolina.

The Commission's Docketing Department directed BellSouth to publish a Notice of Filing in newspapers of general circulation in the Company's service area. BellSouth filed an Affidavit to show that it complied with the instructions of the Docketing Department. No Petitions to Intervene or Protests were received.

Accordingly, BellSouth filed a Motion for Expedited Review of the Petition, along with the verified testimony of Steven L. Inman. The Office of Regulatory Staff (ORS) does not oppose either the Motion or the Petition, and, in fact, asks that both be granted. Based upon the reasons stated below, we grant both the Motion for Expedited Review and the original Petition.

The verified testimony of Steven L. Inman, Director-Regulatory for the nine-state BellSouth region explains the Company's reasons for filing the Petition. Inman testified that BellSouth is asking the Commission to enter an Order stating that it will not regulate business or residential voice mail offerings in any exchanges in BellSouth's operating territory in South Carolina. Inman attached certain tariff pages to his testimony to identify each BellSouth service that is the subject of the Petition, however these are collectively identified as "voice mail" in the testimony.

Inman cites S.C. Code Ann. Section 58-9-280(G)(1), which states that "[t]he Commission shall not regulate a service for which competition exists if the market for that service is sufficiently competitive to protect the public interest." Under this statute, "[c]ompetition exists for a particular service if, for an identifiable class or group of customers in an exchange, group of exchanges, or other clearly defined geographical area, the service, its functional equivalent, or a substitute service is available from two or more providers." According to Inman, the market for voice mail service and substitute services in South Carolina is highly competitive and diverse. Inman asserts that business and residential customers in BellSouth's territory can choose among voice mail service or substitute services that are available from BellSouth and from many other regulated providers. He also testified at length regarding the voice mail service and/or substitute services available from many unregulated providers (including providers of professional answering services, retailers, providers of voice processing equipment, wireless service providers, and providers of Internet-based services.) Inman noted that he was not aware of any other incumbent local exchange carrier (ILEC) that references voice mail service

in its tariffs that are on file with the Commission. Further, voice mail, Inman states, is unregulated in each of the other eight states in BellSouth's region.

Inman opines that the current intense competition among providers of voice mail services (or substitute services) has developed and flourished as a result of market forces, rather than regulation. Further, Inman concludes that this vigorous competition means that the market is more than sufficiently competitive to protect the public interest. Further, he asserts that removing regulation that applies to some (like BellSouth), but not to all, will allow all competitors in this market to respond to market forces more quickly and more efficiently.

Inman's testimony concludes by asking this Commission to enter an Order stating that it will not regulate business or residential voice mail offerings in any exchanges in BellSouth's operating territory in South Carolina.

We have examined this matter and believe that the requested relief addressed in the Petition should be granted, for the reasons stated in Inman's testimony. Such relief is not opposed by ORS. Clearly, the provisions of S.C. Code Ann. Section 58-9-280(G)(1) are met. We believe that the testimony shows that competition exists in the BellSouth service area for the voice mail services from two or more providers and that the market for voice mail services is sufficiently competitive to protect the public interest. According to Inman, competition for voice mail services exists from both regulated and unregulated providers. Therefore, based on these findings and pursuant to the statute, "the Commission shall not regulate the service."

Accordingly, we hereby hold that the Commission will not regulate BellSouth's business or residential voice mail offerings in any exchanges in BellSouth's operating territory in South Carolina. The voice mail services indicated in the original Application shall be removed from BellSouth's tariffs. We believe that the level of competition for voice mail services justifies the detariffing of these services.

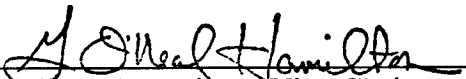
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)